

## Proportional Compensated Leave Calculation

The Living Wage Ordinance requires employers to provide a minimum of ten compensated days off per year to covered employees for sick leave, vacation, or personal necessity [San Diego Municipal Code §22.4220(c)]. Days off for part-time employees accrue at a rate proportional to full-time employees. Paid holidays provided under established employer policy are not counted toward provision of the ten compensated days off.

A part-time employee earns 1 hour of compensated leave time after working 25 hours, as shown:

<u>Compensated Leave Per Hour Formula</u>			
50 weeks of work	requires	2 weeks compensated leave	
50 weeks x 40 hours = 2000 hours	requires	2 weeks x 40 hours = 80 hours	
2000 hours ÷ 80 hours	=	25 hours	
25 hours of work	=	1 hour compensated leave	

If it's determined that a covered employer did not provide compensated leave time in accordance with the LWO, that employer is required to make back payment to covered employees. The back payment amount is calculated on an hourly basis, as shown:

<u>Compensated Leave Cost Per Hour</u>			
25 hours of work	=	1 hour compensated leave	
LWO wage rate ÷ 25 hours	=	Back pay amount per hour	

The applicable Living Wage rate for the fiscal year is used to determine the back pay amount owed:

<u>Effective Dates</u>	<u>Calculation</u>	<u>Back Pay Amount</u>
7/1/2011 – 6/30/2012	\$13.37 ÷ 25 =	\$0.535 /hour
7/1/2010 – 6/30/2011	\$13.20 ÷ 25 =	\$0.528 /hour
7/1/2009 – 6/30/2010	\$13.20 ÷ 25 =	\$0.528 /hour
7/1/2008 – 6/30/2009	\$12.70 ÷ 25 =	\$0.508 /hour
7/1/2007 – 6/30/2008	\$12.41 ÷ 25 =	\$0.496 /hour
7/1/2006 – 6/30/2007	\$12.00 ÷ 25 =	\$0.4800 /hour

A covered employer who violates this requirement of the Living Wage Ordinance is subject to termination of the contract, debarment, and additional fines [SDMC 22.4230 (d)(1-4)]. Such fines may be assessed in the amount of \$100 for each violation for each day.